

## CLAIMS

### We Claim:

1. A method for administrating life insurance policy value expressed in a plurality of units, said method comprising the steps of:

storing investment data on each of at least one investment instrument for which a life insurance premium is invested;

determining a first net asset value of each of said units at a first known period;

determining a performance return of each of said at least one investment instruments at a second known period;

determining a second net asset value at said second known period in relation to said first known period net asset value corresponding to said investment instrument and said investment instrument performance return;

determining said first net asset value at said second known period for each of said units by deducing at least one expense from said second net asset value;

determining a performance fee as a known percentage of a change in value of each of said investment instruments when said investment performance return is positive;

carrying each of said determined performance fees forward; and

adjusting said policy value by a number of units corresponding to a change in each of said investment instrument value reduced by said corresponding performance fee determined using said first net asset value at a third known period.

2. The method as recited in claim 1 wherein said premium value invested is reduced by deducting known obligations from said premium value.
3. The method as recited in claim 1 wherein further comprising the steps of:  
determining a cost of insurance at said second known; and  
reducing said policy value by a number of units corresponding to said cost of insurance using said first net asset value.
4. The method as recited in claim 1 wherein said at least one expense is selected from the group comprising: administrative expenses, performance fee, management fee.
5. The method as recited in claim 1 wherein said first known period is at the beginning of a period selected from the group comprising: daily, weekly, monthly, quarterly, yearly.
6. The method as recited in claim 1 wherein said second known period is at the end of a period selected from the group comprising: daily, weekly, monthly, quarterly, yearly.
7. The method as recited in claim 1 wherein said third known period is at the end of a period selected from the group comprising: daily, weekly, monthly, quarterly, yearly.
8. The method as recited in claim 1 wherein said third known period corresponds to an anniversary of said policy.

9. The method as recited in claim 1 wherein said first first net asset value is known.

10. A method for tracking and reconciling a life insurance policy value, said method comprising the steps of:

generating a number of insurance units for a premium value based on a first net asset value;

determining a performance return for each of at least one investment instruments for which said premium is invested;

determining a gross net asset value as a function of a previous first net asset value and said performance return for each of said at least one investment instrument;

determining a second net asset value by deducting at least one expense from said gross asset value;

determining a performance fee for each of said investment instruments as a known percentage of a positive change in value of a corresponding investment instrument;

determining a number of insurance units corresponding to said change in value of each of said investment instruments reduced by a corresponding performance fee using said second net asset value; and

adjusting, at a selected date, said policy value by said determined number of units corresponding to said change in value of each of said investment instruments reduced by a corresponding performance fee.

11. The method as recited in claim 10 wherein further comprising the steps of:

determining a cost of insurance at said second known; and

reducing said policy value by a number of units corresponding to said cost of insurance using said second net asset value.

12. The method as recited in claim 10 wherein said at least one expense is selected from the group comprising: administrative expenses, performance fee, management fee.

13. The method as recited in claim 10 wherein said selected date corresponds to an anniversary of said policy.

14. The method as recited in claim 10 wherein said first first net asset value is known.

15. The method as recited in claim 10 wherein said premium value invested is reduced by deducting known obligations from said premium value.

16. A system for administering life insurance policy value expressed in a plurality of units, said system comprising:

a memory for storing investment data on each of at least one investment instrument for which a life insurance premium is invested;

a processor operable to execute code for:

determining a first net asset value of each of said units at a first known period;

determining a performance return of each of said at least one investment instruments at a second known period;

determining a second net asset value at said second known period in relation to said first known period net asset value corresponding to said investment instrument and said investment instrument performance return;

determining said first net asset value at said second known period for each of said units by deducing at least one expense from said second net asset value;

determining a performance fee as a known percentage of a change in value of each of said investment instruments when said investment return is positive; and

carrying each of said determined performance fees forward; and

adjusting said policy value by a number of units corresponding to a change in each of said investment instrument value reduced by said corresponding performance fee determined using said first net asset value at a third known period.

17. The system as recited in claim 16 wherein said processor is operable to further execute code for:

deducting known obligations from said premium value.

18. The system as recited in claim 16 wherein said processor is operable to further execute code for:

determining a cost of insurance at said second known; and

reducing said policy value by a number of units corresponding to said cost of insurance using said first net asset value.

19. The system as recited in claim 16 wherein said at least one expense is selected from the group comprising: administrative expenses, performance fee, management fee.
20. The system as recited in claim 16 wherein said first known period is at the beginning of a period selected from the group comprising: daily, weekly, monthly, quarterly, yearly.
21. The system as recited in claim 16 wherein said second known period is at the end of a period selected from the group comprising: daily, weekly, monthly, quarterly, yearly.
22. The system as recited in claim 16 wherein said third known period is at the end of a period selected from the group comprising: daily, weekly, monthly, quarterly, yearly.
23. The system as recited in claim 16 wherein said third known period corresponds to an anniversary of said policy.
24. The system as recited in claim 16 wherein said first first net asset value is known.
25. A system operable on at least one processing unit for tracking and reconciling a life insurance policy value including code operable for:
- generating a number of insurance units for a premium value based on a first net asset value;
  - determining a performance return for each of at least one investment instruments for which said premium is invested;

determining a gross net asset value as a function of a previous first net asset value and said performance return for each of said at least one investment instrument;

determining a second net asset value by deducting at least one expense from said gross asset value;

determining a performance fee for each of said investment instruments as a known percentage of a positive change in value of a corresponding investment instrument;

determining a number of insurance units corresponding to said change in value of each of said investment instruments reduced by a corresponding performance fee using said second net asset value; and

adjusting, at a selected date, said policy value by said determined number of units corresponding to said change in value of each of said investment instruments reduced by a corresponding performance fee.

26. The system as recited in claim 25 wherein further operable for:

determining a cost of insurance at said second known; and

reducing said policy value by a number of units corresponding to said cost of insurance using said second net asset value.

27. The system as recited in claim 25 wherein said at least one expense is selected from the group comprising: administrative expenses, performance fee, management fee.

28. The system as recited in claim 25 wherein said selected date corresponds to an anniversary of said policy.
29. The system as recited in claim 25 wherein said first first net asset value is known.
30. The system as recited in claim 15 wherein said premium value invested is reduced by deducting known obligations from said premium value.
31. A improved method of determining life insurance policy value represented as a plurality of current insurance units having a premium deducted by state and federal tax objections invested in at least one investment instrument, which is subjected to at least one investment instrument fee including a management fee, an expense fee, and an incentive fee, said improvement comprising:
- eliminating said investment instrument fee;
  - determining a net asset at a known period based on a performance return of each of said investment instruments; and
  - adjusting, at a selected date, said current number of said insurance units by a number of insurance units corresponding to a change in value of each of said investment instruments reduced by a corresponding performance fee, based on said net asset value, wherein said performance fee is a known percentage of said change in value of each of said investment instruments if said change in investment value is positive.



32. The method as recited in claim 31 wherein said performance fee includes a fee for investment management and performance.

33. The method as recited in claim 31 wherein said selected date corresponds to an anniversary of said policy.